

February 4, 2020

Revised July 13, 2020

Department of the Army
Los Angeles District, U.S. Army Corps of Engineers
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**RE: PETERSEN RANCH MITIGATION BANK 3RD CREDIT RELEASE [USACE FILE NO:
SPL-2012-00669-BEM, CDFW TRACKING NO: 1798-2013-04-R51600-2015-0075-R5]**

Dear Interagency Review Team:

With this letter Land Veritas (Bank Sponsor) formally requests the third credit release for Area E of the Petersen Ranch Mitigation Bank (Bank).

Sections VII.A.1.c, VII.C.1.c, and VII.D.2.a(3) of the Bank Enabling Instrument (BEI) state that the third credit release (up to an additional 15% of the total anticipated credits) shall occur when:

- i. *The Bank Sponsor has submitted the Third Year Monitoring Report as required by the Development Plan;*
- ii. *Year 3 Performance Standards have been attained;*
- iii. *The Bank Sponsor funds a minimum of 40% of the Endowment Amount per Section VI.E.2b; and*
- iv. *Release 2 has occurred; and*
- iv-v. *A site-wide delineation will be conducted within the Bank Properties in year 3 following implementation of the Development Plan.*

Item (i) was completed on November ~~24~~¹⁵, 2019 with the submission of the 2019 Third Year Annual Monitoring Report to the Interagency Review Team (IRT).

Ex. 4 CBI

Ex. 4 CBI

Item (iii) ~~will be~~was completed ~~July 6, 2020 immediately following~~pending IRT provisional approval that the other credit release requirements have been met and that the credits will be released. Per Exhibit D-2 of the BEI, the total Endowment Fund will include a long-term management account and an easement compliance account. The easement compliance account was fully funded prior to bank establishment. ~~Immediately u~~Upon IRT provisional approval, Land Veritas ~~will deposited~~ \$ **Ex. 4 CBI** into the Endowment Fund Account managed by the Southwest Resource Management Association (Table 6). ~~Upon deposit, 40% of the total inflation adjusted long-term management amount for Area E will be~~was funded. ~~Combined with the fully funded Easement Compliance Endowment, the total Endowment for the Bank will be~~is 57.7% funded. ~~The D~~Deposit receipts for these ~~this most recent long-term management deposit amounts is included as Attachment A, will be forwarded to the IRT upon deposit.~~

Item (iv) was completed between July and August, 2018. On July 13, 2018, July 30, 2018, and August 9, 2018, the California Department of Fish and Wildlife (CDFW), United States Army Corps of Engineers (USACE), and the Lahontan Regional Water Quality Control Board (RWQCB), respectively, approved the second credit release for the Bank.

~~Item (v) was completed in Spring 2019 and the Area E Year 3 delineation report was submitted as an appendix to the 2019 Third Year Annual Monitoring Report.~~

~~Additionally, Land Veritas hosted a site visit for members of the Interagency Review Team on October 21, 2019.~~

The Bank's credit ledgers are attached to this letter for your review (Attachment ~~BA~~).

Finally, the Bank Sponsor is prepared to pay the proportionally appropriate amount of the CDFW Implementation Fee ~~in full to CDFW following the procedures described in Sections VII.C.5 and VII.D.2(b) of the BEI. The amount to be funded will be equal to 15% of the total Implementation Fee. To date we have paid \$24,601.11, or 40% of the total Implementation Fee. The additional 15% Implementation Fee payment in the amount of~~ **Ex. 4 CBI** ~~The Implementation Fee will be paid no later than by the submittal of the 2020 2020 Fourth Year Annual Monitoring Report, or November 15, 2020.~~

Based on the successful attainment of these release criteria, the Bank Sponsor requests that the IRT release all non-enhancement area credits associated with the third credit release as summarized in Tables 1 – 5.

Sincerely,



H. Tracey Brownfield, President
Land Veritas Corp

Cc:

Sarvy Mahdavi, EPA Region IX

Melissa Scianni, EPA Region IX

Janice Gan, CDFW Region 5

Gail Sevens, CDFW Region 5

Christine Beck, CDFW Region 5

Tiffany Steinert, Lahontan Regional Water Quality Control Board



Ex. 4 CBI



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Table 6. Endowment funding calculations. The entire Easement Compliance Endowment was funded in 2016.

Endowment Fund Financial Accounting		Easement Compliance Endowment	Long-Term Management Endowment	Total Area E Endowments
Original Amount Required 5/11/2016 ¹		Ex. 4 CBI		
Adjusted Amount Based on 8.2% CPI as of Feb 2019 ²				
Initial Deposit ³	Amount			
	Deposit Date			
Deposit #1	Amount			
	Deposit Date			
Deposit #2	Amount			
	Deposit Date			
Deposit #3	Amount			
	Deposit Date			
Deposit #4	Amount			
	Deposit Date			
TOTAL DEPOSIT AMOUNT*				
Percent Funded*				
Net Amount of Investment Earnings, Gains, and Losses ^{4,*}				
Expenditures				
Current Balance*				

¹ Amount agreed upon in the BEI, executed on 05/11/2016.

² Endowment amounts are adjusted annually using Consumer Price Index (CPI) data from the California Department of Industrial Relations, Division of Labor Statistics and Research published in February of each year. Adjustments are made using the CPI adjustment for all urban consumers, and they are made by March 1st of each year until the Endowment Fund is fully funded. No data was available for May 2016 as the start date or March 2019 as the end date, so June 2016 and February 2019 were used instead, respectively.

³ The easement compliance endowment was fully funded by the Bank Sponsor

⁴ Including realized and unrealized earnings.

* Totals presented exclude the Deposit #2 amount, which has not yet been paid.

Attachment 4A

Ledgers Long-Term Management Endowment Deposit #2 Receipt



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Attachment B

Ledgers